

TESTIMONY OF HOMER STAVES
TO THE
MONTANA HOUSE COMMITTEE
LOCAL GOVERNMENT
SB 324
MARCH 21, 2013

Good afternoon. My name is Homer Staves, I am a fifth generation Montanan, I was born in Missoula, grew up in Polson, earned a BA and MBA in Business from the University in Missoula, spent 8 years raising cherries on Flathead Lake and thirty years working for Kampgrounds of America in Billings. Since 2000 I have owned Staves Consulting Inc., a Montana corporation which helps over 30 clients a year build RV parks and campgrounds throughout North America. I reside in Billings with my wife of fifty one years and we spend the summer helping our sons operate the KOA Kampground we purchased at Whitefish so they could afford to move back to Montana from Arizona and Florida. I currently serve as President of COAM, the Campground Owner's Association of Montana as well as President of the Montana - Wyoming KOA Owners Association. I am here to address SB 324, a bill to revise subdivision laws related to lease or rent.

Many years ago the Montana Legislature created the subdivision law to control development in the state and to prevent property all over the state from being chopped up into small parcels and sold by real-estate developers. The campground owners support this concept and feel it has helped preserve those things we all appreciate about our state. However, over the years the law has been modified many times and the result has been to create onerous regulations on small businesses that have no intention to chop up and sell small parcels of their property. Campgrounds or RV parks were added to the law about twelve years ago and since then very few new parks or park expansions have taken place in the state. During the same time period, tourism in the state has grown significantly and thousands of new hotel and motel rooms have been developed. I assist people throughout the United States with campground development and I have never found any other state that requires a campground or RV park to go through a subdivision process.

In the existing Montana Subdivision and Platting Act, which has effectively controlled the development of new RV parks, the only reference to recreational camping vehicles is contained as article (15) in definitions as follows:

(15) "Subdivision" means a division of land or land so divided that it creates one or more parcels containing less than 160 acres that cannot be described as a one-quarter aliquot part of a United States government section, exclusive of public roadways, in order that the title to or possession of the parcels may be sold, rented, leased, or otherwise conveyed and includes any resubdivision and further includes a condominium or area, regardless of its size, that provides or will provide multiple space for recreational camping vehicles or mobile homes.

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LC 426 which was circulated by Senator Rosendale during the first part of this session of the Montana Legislature also only had that reference but also contained strikeouts for the words rented, leased, and conveyed.

When SB 324 was filed, the term Recreational Camping Vehicles appeared in three new locations without any reason.

The Official Montana State Travel site on the internet lists all of the tourism accommodations in the state. There are 674 hotels or motels listed but there are also 612 properties listed under camping. About half of these are owned by various governmental units but almost 300 are small business owned and operated by mom and pop. For some reason these small businesses are singled out in this bill as requiring much more stringent controls than any other business in Montana. Recreational Camping Vehicles are all charged the accommodation tax which is collected by all of the private campgrounds in the state but for some reason Section 2. (3) (a) exempts any building that is subject to the lodging facility use tax except places open to recreational camping vehicles. Why?

Section 9 (15) exempts all rented or leased property from the definition of a Subdivision except for an area that provides for recreational camping vehicles. Why? Many motels, inns, convenience stores and truck stops provide a few spaces for recreational vehicles. Because of this section they will not benefit from the changes this bill makes in the subdivision law even for their rental motel rooms.

Section 10, 76-3-504 (s) specifies that separate criteria must be established for any area that provides space for recreational vehicles. No other type of property is listed as a separate issue. Why? The way this is written the new criteria will apply not only to RV parks but also to Wal-Mart, Highway rest stops, RV dealer lots, and every other business in the state that provides space for recreational camping vehicles.

Our park is fairly typical of the campgrounds in this state. We have about 100 approved RV and tent sites. 90% of our total revenue occurs in less than 100 days. In July and August we run about 100% occupancy every night. We really need to add some additional sites but even if we get the proper permits, we can only afford to add a few each year out of working capital. In 2011 we met with the local Health Department and asked what we needed to do. Once we looked at everything the cost of applying for the subdivision approval to build even one additional site was almost \$40,000.00. When we talked to several banks about proceeding we were told they would not loan us any money until the subdivision was approved. There is no way we can afford \$40,000 just to ask for permission to add a few sites to our 40 acre parcel of land.

As an industry we support the intent of this bill to not place onerous requirements on property that is not being sold but only rented. However, if it passes in its present form any property in the state that provides space for a recreational vehicle, will have to go through subdivision procedures for any construction while everyone else in the rental business will not have to. In order to put our portion of the tourism industry on an equal footing with the rest of the state, we request the following modifications to this bill.

1. . Delete Recreational Camping Vehicle in the definition of building in Section 1 (1). There is no justification for calling a licensed motor vehicle a building.

2. In New Section 2. Building for lease or rent – exemptions. (3) (a) delete for recreational camping vehicles. Why should a campground be treated differently than a motel?
3. In Section 9. 76-3-103 Definitions. (15) Reinstate the existing language that has been in place for many years, "or area, regardless of its size, that provides or will provide multiple space for recreational camping vehicles or mobile homes." Then delete the new language "The term also means an area, regardless of its size, that provides or will provide multiple spaces for rent or lease on which recreational camping vehicles or mobile homes will be placed."
4. Delete Section 10 (s) in its entirety. This clause now makes any business or property that provides a space for more than one RV subject to this law. If this passes, all Wal-Mart parking lots are subject to these rules as are all RV dealer lots and most automobile lots as well as many large truck stops. Even the Montana highway rest stops provide space for recreational camping vehicles and will have to comply with this law. This bill proposes to delete rent or lease in this section but if the present language remains unchanged then RV parks will still be forced to comply with all subdivision rules even though they rent their camping sites for short term use.

All of us in the RV portion of the tourism industry appreciate your attention to this issue and your consideration of our request to pass this bill with the amendments we have outlined which will simply put our industry in the exact same position as a motel.